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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEB 7 - 1997

In the Matter of	)	
	)	
Southwestern Bell Telephone Company's Comparably Efficient Interconnection Plan for the Provision of Basic Payphone Service	)	CC Docket No. 96-128
	)	

COMMENTS OF THE AMERICAN PUBLIC COMMUNICATIONS COUNCIL ON SOUTHWESTERN BELL TELEPHONE COMPANY'S CEI PLAN

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SUMMARY

Southwestern Bell's CEI plan does not contain enough information to enable the Commission and interested parties to tell whether its plan meets the requirements of the Payphone Orders and Computer III. Thus, the Commission should require Southwestern Bell to refile its Plan and subject it to the same public commenting period as its initial filing. To the extent that information is provided, Southwestern Bell does not comply with the Commission's CEI requirement.

First, Southwestern Bell West has not provided federal tariffs despite the Commission's explicit directive that

> any basic network services or unbundled features used by a LEC's operations to provide payphone services must be similarly available to independent payphone providers on a nondiscriminatory, tariffed basis. Those unbundled features or functions must be tariffed in the state and federal jurisdiction.

and that

> LECs must file with the Commission tariffs for unbundled features consistent with the requirements established in the Report and Order.

Only "the basic payphone line for smart and dumb payphones" is to be tariffed exclusively at the state level.

Further, Southwestern Bell's state tariffs do not fully unbundle coin line features from the underlying line. It is thus difficult to determine with certainty the differences in rates for the "basic payphone line" and hence the rate for the coin line functionality. For example, the Commission must require Southwestern Bell to provide single rates for answer supervision service and screening service applicable to both COCOT lines and coin lines.

The Commission must also require Southwestern Bell to disclose its pricing methodologies for COCOT and coin line service, to ensure that they are nondiscriminatory and that there is no subsidy for Southwestern Bell's payphones.

In addition to these tariffing issues, there are several issues that relate specifically to Southwestern Bell's offering of coin lines. While Southwestern Bell often offers coin line service "where available," Southwestern Bell does not indicate where in fact coin line service is or is not available. Southwestern Bell must disclose how it is providing payphone service in areas where coin lines are not available.

To the extent that Southwestern Bell's coin lines do not offer subscriber specific rating for local calls, directory assistance and Directory Assistance Call Completion, its CEI offering is discriminatory.

Southwestern Bell coin line tariffs also require operator assisted intraLATA and local calls to be routed to Southwestern Bell. The Commission's Payphone Orders make clear that the subscriber has the right to choose the carrier for operator-assisted calls and that non-emergency 0- calls should be sent to the presubscribed OSP. Forcing the PSP to give up this right in order to obtain a coin line is discriminatory and further vitiates the utility of the coin line to the IPP industry.

It is feasible for Southwestern Bell to offer a coin-line or coin-line equivalent service that is free from the above discriminations. Such a service is currently offered by Ameritech in Illinois under the name "ProfitMaster." Southwestern Bell should be required to make a similar service available generally at the same rates under which it provides coin-line service to its own payphones.

In the area of service order processing, installation, maintenance and repair service, Southwestern Bell does not make clear that its practices regarding maintenance and repair will be nondiscriminatory by explicitly stating the practice it will follow with respect to its existing base. The Commission should require Southwestern Bell to clarify that it will not share personnel with its payphone division in providing service order processing, installation, maintenance and repair service.

Southwestern Bell should be required to describe its line number assignment policies. Southwestern Bell also does not address nondiscrimination in assignment of screening codes. Under the Commission's Payphone Orders, a "discrete" screening code is required to enable interexchange carriers to track calls for compensation. To the extent that Southwestern Bell payphones are assigned a unique screening code, while independent payphones are provided a screening code that requires reference to an external database to ascertain that the originating line is a payphone, Southwestern Bell's CEI offering is discriminatory. Assignment of a unique screening code only to coin lines would give Southwestern Bell's payphones a tremendous advantage in the collection of per-call compensation, apparently eliminating any need for Southwestern Bell's payphone operation to rely on the time consuming and error-prone LEC verification process. Accordingly, the Commission should require Southwestern Bell to clarify that it will assign a unique screening code to IPP providers.

Southwestern Bell does not address whether intraLATA operator services used by Southwestern Bell will be part of Southwestern Bell or remain part of the regulated service. Southwestern Bell must specify what network operator functions support Southwestern Bell and how they will be available on the same basis to independent payphone providers.

Finally, Southwestern Bell does not meet the Commission's CEI requirements regarding CPNI and Semi-Public Payphones. Nor does its CEI Plan comply with repect to the timing of call set up or ensuring that municipal taxes are assessed equally between IPPs and its payphone division.

The Commission should direct Southwestern Bell to refile its plan or amend it to comply with CEI requirements. The plan must then be made available for public comment for a period comparable to the comment period for the initial plan.

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COMMENTS OF THE
AMERICAN PUBLIC COMMUNICATIONS COUNCIL
ON SOUTHWESTERN BELL TELEPHONE COMPANY'S CEI PLAN

Pursuant to the Commission's January 13, 1997 Public Notice, the American Public Communications Council ("APCC") submits these comments on the Southwestern Bell Telephone Company ("Southwestern Bell") CEI Plan, filed by Southwestern Bell on December 30, 1996.

DISCUSSION

Southwestern Bell's comparably efficient interconnection ("CEI") plan lacks sufficient information so that the Commission (and interested parties) can evaluate whether the Commission's nondiscrimination requirements will be met.[1] Southwestern Bell (like

[1] As one example, Southwestern Bell's plan does not specify whether it will provide signaling information tones ("SIT"). In the absence of true answer supervision, SIT must be provided to IPP providers because if SIT do not precede operator intercept messages, the operator intercept messages are likely to be incorrectly treated as completed (Footnote continued)

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the other LECs) provides very little information in its CEI plan, which hinder(s) the evaluation of its CEI plan by interested public commenters and the Commission. As addressed below, the Commission should require Southwestern Bell to refile its CEI plan and to provide all information required to fully assess all CEI equal access parameters and nonstructural safeguards for the provision of payphone services.[2]

Moreover, in the event that Southwestern Bell provides ***additional information*** in its reply, as BellSouth and Ameritech did with their replies after withholding it from their initial CEI submissions, then the Commission should permit interested parties the same opportunity to review it and comment on it that was provided for the initial filing. Otherwise Southwestern Bell will have effectively evaded the Commission's requirement that the CEI plans be subject to public comment.

To the extent that Southwestern Bell does provide information, in numerous instances Southwestern Bell's CEI Plan fails to comply with the CEI equal access parameters and nonstructural safeguards. These deficiencies are addressed below.

A LEC must provide basic network services and unbundled functions used by its payphone operations to IPP providers on a "comparably efficient" and "nondiscriminatory"

(Footnote continued)
calls.

2 Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Notice of Proposed Rulemaking, 11 FCC Rcd 6716 (1996), Report and Order, FCC 96-388, released September 20, 1996 ("Payphone Order"), Order on Reconsideration, FCC 96-439, released November 8, 1996 ("Reconsideration Order").

basis. Comparably efficient interconnection requirements are not met simply because a LEC provides the same tariffed services that the LEC uses for its own payphone operations. These basic network services and unbundled functions must be available to IPP providers on a *functionally equivalent* basis; i.e., they must be *as useful* to IPP providers as they are to the LEC. The Commission must carefully evaluate the LEC's CEI plan to ensure that the LEC's offerings are *effectively* as well as *formally* nondiscriminatory.

As discussed below, the coin line service currently offered to IPP providers is not useful to IPP providers because it does not enable them to send operator-assisted calls to the operator service provider ("OSP") of their choice. Moreover, while Southwestern Bell's tariffs are not clear, to the extent that it does not permit IPP providers to select their own local, directory assistance or Directory Assistance Call Completion rates, the coin line service is not useful.

For these reasons[3], the Commission must ensure that the differential between "customer owned, coin operated telephone" ("COCOT") service charges and coin line

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[3] The LECs cannot satisfy either CEI or Section 276's competitive mandate by making available a single offering of network features and functionalities that forces any competitor who wants to use the network features and functionalities to compete by offering the same prices and the same package of the LECs payphone entity. Yet, as described below, that is what Southwestern Bell proposes to do. Under any circumstances, such an offering falls short of CEI and Section 276.

Southwestern Bell's conduct is aggravated by the context in which this offering is made. Because IPP providers were denied any opportunity at all to interconnect to the coin line functions of the Bell Companies' networks, IPP providers were forced to invest in payphone instrument-based technology in order to provide the basic call rating functions and call control functions that are essential to the operation of a coin payphone. Thus, for many IPP providers it is impractical, at least in the near future, to subscribe to the coin line services that the LECs use for their own payphone operations. The IPP providers have

(Footnote continued)

service charges reflect true costs and are nondiscriminatory.[4] As addressed below, the Commission should require Southwestern Bell to describe the methodologies it used to determine its rates for coin line and COCOT service. In fact, Southwestern Bell's January 15, 1997 Tariff F.C.C. No. 73 filing demonstrates the necessity for the Commission to carefully scrutinize Southwestern Bell's rate structure. Exhibit A to that Tariff filing (set out in Attachment 1 hereto) shows that Southwestern Bell's Answer Supervision-Line Side service and Selective Class of Call Screening ("SCOCS") service are grossly over-priced in excess of cost. For example, while Southwestern Bell's monthly cost of providing Answer Supervision-Line Side service is only $1.60, it charges $10.60, over a 660 percent mark-up. While Southwestern Bell's cost of providing its SCOCS service is only $0.018, it charges $1.60, over an 8,888 percent mark-up. The Commission must assess Southwestern Bell's rate structure to determine if its rates for COCOT service are also grossly inflated beyond cost.

To the extent that Southwestern Bell has structured tariffs to provide an undue rate advantage to users of coin line service -- which as discussed above, will be

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(Footnote continued)
already made substantial investment in instrument-implemented payphones and the necessary support for those instruments. Conversion to coin line service in the short run would effectively strand their investment in instrument-based technology. Unless the Commission is vigilant to ensure that the LECs do not undermine IPP providers until they can effectively choose between the central office based support now being made available and phone-based technology, the LECs will be able to extend their discriminatory practices.

4 In Southwestern Bell tariffs, "COCOT" service is called "Customer Owned Pay Telephone ("COPT") Service." Coin line service is called "SmartCoin" service.

predominantly Southwestern Bell payphones for the foreseeable future -- its CEI plan is effectively discriminatory and must be rejected for that reason alone.

Moreover, Southwestern Bell also must be required to state in its CEI plan how many of its payphones in each jurisdiction are subscribed to COCOT service and how many are subscribed to coin line service. This information is essential in order to understand the manner in which Southwestern Bell intends to provide payphone service and the extent of any discriminatory impact resulting from improper tariff structures and charges. In order for the Commission to effectively determine whether Southwestern Bell's CEI Plan has eliminated subsidies and discrimination, the Commission needs to know the extent to which Southwestern Bell continues to rely on network services that are not effectively available to independent providers.

I. TARIFFED "COCOT" AND "COIN LINE" SERVICES

A. The Plan Does Not Include Federal Tariffs For Coin Line Features

A basic CEI requirement is that the LEC must file copies of applicable federal tariffs with its CEI plan. The Reconsideration Order unequivocally requires that:

> any basic network services or unbundled features used by a LEC's operations to provide payphone services must be similarly available to independent payphone providers on a nondiscriminatory, tariffed basis. Those unbundled features or functions must be tariffed in the state and federal jurisdiction.

Reconsideration Order, ¶ 162 (emphasis added). In the next paragraph, the Reconsideration Order states:

> LECs must file with the Commission tariffs for unbundled features consistent with the requirements established in the Report and Order.

The only service that LECs are not required to tariff at the federal level is "the basic payphone line for smart and dumb payphones." Reconsideration Order, ¶ 163. Southwestern Bell has effective pending tariffs for some of the features provided with COCOT line service, including International Blocking, Selective Class of Call Screening ("SCOCS"), and answer supervision, but it has no federal tariffs for its coin line-specific features. Southwestern Bell's plan clearly cannot be approved until it has filed all required federal tariffs.

B. Southwestern Bell's State Tariffs Do Not Unbundle Coin Line Features From The Basic Payphone Line

As discussed above, the Commission's Order on Reconsideration made clear that "any basic network services or unbundled features used by a LEC's operations to provide payphone services must be similarly available to independent payphone providers on a nondiscriminatory, tariffed basis" at the state and federal levels, while "the basic payphone line" is to be unbundled and tariffed at the state level only. Reconsideration Order, ¶ 162. Southwestern Bell has not submitted complete copies of all its state tariffs with its CEI plan.[5] The structure of the tariff it does provide does not permit any effective comparison of the charges for various services and service elements because Southwestern Bell has not tariffed "the basic payphone line" separately from network services and unbundled features.

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[5] Southwestern Bell submitted portions of its Missouri tariff, but did not submit tariffs for Arkansas, Kansas, Oklahoma or Texas. The only federal tariff it submitted was for its international blocking service.

There are also various ambiguities and inconsistencies that hinder analysis of whether subsidies and discrimination between COCOT line services and coin line services have been eliminated.

Southwestern Bell should be required to tariff "basic payphone lines" for its COCOT and coin line services, and separately tariff the features or functionalities used with the basic lines. For example, Southwestern Bell's Call Screening, Coin Supervision, Coin Administration, Operator Services, Sent Paid Quotation, Automatic Rate Table, and Automatic NPA-NXX Update services, see, e.g., P.S.C. Mo. - No. 35, Sec. 34, at 2.02, should each be tariffed separately, as Southwestern Bell separately tariffs its SCOCS, Billed Number Screening, and Answer Supervision-Line Side services, see, e.g., P.S.C. Mo. - No. 35, Sec. 34, at 1-2. Moreover, Southwestern Bell should price these unbundled elements at the same rate whether they are used with COCOT or coin lines. However, Southwestern Bell has failed to meet these requirements.

Under the Reconsideration Order, the "basic payphone line" must be tariffed at the same rate for both coin line service and COCOT line service, so that the additional charges for network services and unbundled features available only with coin lines can be effectively determined. Because the "basic payphone line" is not subject to a unitary rate, and network features used with Southwestern Bell's COCOT and coin lines are not unbundled, Southwestern Bell has not met the Commission's CEI requirements. Accordingly, the Commission should reject Southwestern Bell's CEI plan and require Southwestern Bell to comply with the Commission's unbundling requirements.

To some extent, APCC has been able to obtain additional Southwestern Bell state tariffs and compare some of the rates for Southwestern Bell's COCOT and coin line services. As addressed below, APCC has determined that Southwestern Bell's COCOT rates are disproportionately high, and thus discriminatory, vis-a-vis coin line rates.

C. Southwestern Bell's Kansas Tariff Clearly Violates The Act

In at least one state, Kansas, despite the lack of a unitary "basic payphone line" rate and "unbundled [coin] features or functions," APCC's analysis indicates that there is outrageous discrimination between COCOT service charges and coin line service charges. (The Kansas tariff pages are set out in Attachment 2 hereto.) COCOT service charges are more than $7.00 *higher* than the coin line charges, indicating that Southwestern Bell is, in effect, offering subscribers (including, of course, its payphone division) money to take the coin line features.

Southwestern Bell's Kansas General Exchange Tariff, Sec. 39, at Sheet 7, indicates that Southwestern Bell charges $12.00 more for coin line service than it charges for its COCOT line service. However, once you add to the COCOT line SCOCS service, which has a $5.00 monthly rate (and $12.00 nonrecurring charge) for COCOT lines, and Answer Supervision, which has a $14.00 monthly rate (and $7.00 nonrecurring charge) for COCOT lines, the monthly cost of COCOT line service actually exceeds the cost of coin line service by over $7.00. Because the equivalent of SCOCS service and Answer Supervision are included with coin lines at no charge, see Kansas General Exchange Tariff, Section 39, at Sheet 2C,[6] to determine the real differential between Southwestern Bell's coin line rates and COCOT rates, the costs of SCOCS service and Answer Supervision service should be deducted from the $12.00 "differential" specified by Southwestern Bell.

For its COCOT line charges, Southwestern Bell applies its "business flat one-party rates as set forth in its Local Exchange Tariff-Kansas," which range from $13.80 to $32.35. For example, Southwestern Bell's "Group 1" monthly COCOT rate for Kansas is $13.80, and after including monthly charges for SCOCS service ($5.00) and Answer Supervision ($14.00), the monthly rate for COCOT service is $32.80, while the monthly "Groups 1" rate for coin line service is $25.80. <u>See</u> Attachment 2.

Clearly, it is indisputable that in Kansas, Southwestern Bell's tariff outrageously discriminates against COCOT service, which is used predominantly by IPP providers, and in favor of coin line service, which is predominantly suitable only for Southwestern Bell's payphones. Such discrimination (which on its face would appear to include a heavy subsidy) indisputably violates Section 276(a) of the Communications Act.

D. Southwestern Bell Must Be Required To Disclose Its Methodology For Pricing COCOT Lines And Coin Lines

Southwestern Bell's Missouri tariff, which despite the structure of its Kansas tariff Southwestern Bell claims is "representative" of its state tariffs, shows that Southwestern Bell only charges less than $7.00 more for its coin line service than it charges for its COCOT

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[6] Southwestern Bell provides Originating Line Screening with its coin lines, <u>see</u> Kansas General Exchange Tariff, Section 39, at Sheet 2C, the functional equivalent of SCOCS service for COCOT lines.

service. See, e.g., P.S.C. Mo. No. 35, Sec. 34, at 5.[7] This differential between COCOT and coin line charges is substantially less than in some other states, such as Florida, where the differential ranges from $16 to $25. See Comments of the Southeastern Public Communications Coalition on BellSouth's CEI Plan, filed in this Docket on December 30, 1996, at 7. Clearly, the differential must be sufficient to recover the cost of providing coin line functionality, or there is discrimination and subsidy favoring Southwestern Bell, which is the primary beneficiary of low coin line rates.

As addressed above, Southwestern Bell's January 15, 1997 F.C.C. Tariff No. 73 demonstrates that the Commission should be concerned with discrimination and subsidies. Southwestern Bell admits that its Answer Supervision-Line Side service and SCOCS service are priced more than 660 percent and 8,888 percent, respectively, over Southwestern Bell's cost of providing these services. Southwestern Bell only charges for these services for COCOT lines; these services are included at no cost with coin lines. It is particularly obvious from these examples that Southwestern Bell is not pricing its COCOT and coin line features at cost-based rates, as the Payphone Order requires, and that Southwestern Bell is employing disparate cost methodologies and rate structures that discriminate in favor of the coin line service traditionally used by Southwestern Bell 's own payphones.

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7 Southwestern Bell's Missouri tariff states that Southwestern Bell charges an additional $12.00 for its SmartCoin service, which includes at no charge Answer Supervision-Line Side service and OLS service, the functional equivalent of COCOT SCOCS service. However, because there is an additional monthly charge of $5.00 and a nonrecurring charge of $7.00 for Answer Supervision-Line Side service, and a $20.50 nonrecurring charge for SCOCS service, with COCOT lines, the real monthly rate differential is less than only $7.00.

Accordingly, the Commission should require Southwestern Bell to unbundle these features (as well as all other features from the "basic payphone lines" for COCOT and coin line service) and to charge the same rate for these features whether they are provided with COCOT or coin line service. Furthermore, Southwestern Bell must be required to disclose the cost methodologies used to develop its COCOT and coin line service charges, so that the Commission can ensure that the same pricing methodology was used for each service, and that there is no subsidy for the coin line service. If disparate pricing methodologies are used so that a lower "contribution" is provided from Southwestern Bell's coin line rates than from its COCOT line rates, this would demonstrate that Southwestern Bell is discriminating and providing a subsidy for its own payphone operation.

Under Section 276 of the Act, the Commission is required to ensure that all subsidies and discrimination in favor of Bell company payphones are eliminated. As the above examples demonstrate, satisfying the Commission's Section 276 obligations necessarily requires close scrutiny of Southwestern Bell's rate levels for the basic services offered in connection with its COCOT and coin line services, especially since coin line services, at least for the near future, can be effectively used predominantly by Southwestern Bell payphones only.[8]

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[8] Such scrutiny is even more important to the extent that the coin line services are structured to prevent IPP providers from selecting their own rates and OSPs, as addressed below.

E. Coin Line Issues

1. Availability of Coin Line Service

Southwestern Bell provides coin line service only "where the necessary facilities are available." See, e.g., P.S.C. Mo. - No. 35, Sec. 34, at 2. Southwestern Bell does not specify in its CEI plan to what extent coin line service is unavailable, or whether any payphones in its embedded base are located in areas where coin line service is "unavailable." Southwestern Bell must be required to disclose in which areas coin line service is "unavailable" and how many, if any, payphones it has currently installed in such areas. Of course, to the extent that Southwestern Bell has new or embedded payphones in such areas, it must be required to convert such payphones to COCOT service. Otherwise, Southwestern Bell would be in the position of providing coin line service to itself while claiming that it is "unavailable" to IPP providers.

2. Subscriber-Selected Call Rating

As APCC, New Jersey Payphone Association ("NJPA"), and Georgia Public Communications Association ("GPCA") have previously argued, providing a coin line that rates calls *only* at the end user rates used by the LEC's own payphone division is patently discriminatory and spoils any utility the coin line service would otherwise have for IPP providers.[9] Southwestern Bell's tariffs indicate that it permits individual payphone

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9 See, e.g., Petition of NJPA for Partial Reconsideration and Clarification, filed October 21, 1996 in the proceeding leading to the Payphone Order, at 3-7. (APCC will provide copies of this filing upon request.) IPP providers subscribing to such coin lines are effectively forced to adhere to the same rates charged by the LEC-affiliated payphone competitor. IPP providers are precluded from developing innovative rate structures such as (Footnote continued)

providers to set coin line end user rates for intraLATA toll calls. See P.S.C. Mo. - No. 35, Sec. 34, at 2-2.01. Southwestern Bell should be commended for complying with this CEI requirement.

However, Southwestern Bell's tariffs do not specify how local calls are rated. Southwestern Bell apparently (and correctly) permits IPPs to use their mechanism payphones to set an initial rate for local calls, see, e.g., P. S. C. Mo. No. 35, Sec. 34, at 2. However, Southwestern Bell does not make clear that it will provide network-based controls to monitor when the end user satisfies the initial rate for local calls, although Southwestern Bell programs its network to use its payphone division's preferred initial time period. Nor does Southwestern Bell specify that it will program its network to an IPP's chosen over-time periods and corresponding over-time rates, although Southwestern Bell sets its network to its payphone division's chosen rates and timing for over-time periods.[10]

To meet CEI requirements, Southwestern Bell must permit IPP providers to set the initial time period, the over-time periods, and *all* rates corresponding to these periods for local calls. In other words, IPP providers should not have to use the Southwestern Bell

(Footnote continued)
"call anywhere in the United States for 25 cents per minute" -- an increasingly popular approach that has been shown to increase coin traffic at many payphones.

[10] An example of an initial rate is $0.25 for the first 5 minutes. An example of an overtime rate is $0.05 for each additional 3 minute period after the initial 5 minute period. Ameritech, for example, provides coin lines that only permit IPPs to set the initial rate from their payphones, but require IPPs to use Ameritech's tariffed initial timing, overtime rates and overtime timing. See Ameritech's Reply Comments on its CEI Plan for Pay Telephone Services, filed January 17, 1997 in this Docket, at 8-9. This is not comparably efficient interconnection because the payphone provider is forced to use the Ameritech rate structure.

payphone division's preferred local rates. Accordingly, the Commission should require Southwestern Bell to clarify in its amended or re-filed CEI plan that payphone providers can set the initial and over-time rates and time periods for local calls, just as Southwestern Bell permits IPP providers to select rating for intraLATA toll calls.[11]

Likewise, Southwestern Bell does not specify how directory assistance rates, or the rates for Directory Assistance Call Completion, are set. Thus, Southwestern Bell should clarify in its refiled CEI plan that payphone providers can set directory assistance rates and the rates for Directory Assistance Call Completion.

3. Operator Service Provider ("OSP") Selection

Southwestern Bell's tariffs provide that "[Southwestern Bell's] operator system will handle all local and intraLATA calls dialed 0-, 0+ and 1+." P.S.C. Mo. - No. 35, Sec. 34, at 2.02.

Section 276 provides that PSPs are entitled to select the operator service provider ("OSP") for intraLATA operator-assisted calls. Therefore, Southwestern Bell's CEI plan is inconsistent with Section 276. Further, with respect to 0- calls, the Commission has stated that while states can require that 0- calls be routed to LECs for emergency purposes, when a 0- call is not an emergency call, the call should be sent to the OSP selected by the payphone service provider ("PSP"). Payphone Order, ¶259.

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11 Moreover, as discussed in the filings of NJPA and GPCA in the proceedings leading to the Payphone Order, Ameritech currently provides this capability through its ProfitMaster service in Illinois.

Forcing a PSP to give up its right to select the presubscribed OSP in order to obtain a coin line is discriminatory and further vitiates the utility of the coin line to the IPP industry. Southwestern Bell should be required to refile its CEI plan with instructions to amend its tariffs to provide that all non-emergency operator assisted calls will be sent to the provider selected by the PSP.

Southwestern Bell cannot reasonably claim that it is infeasible to allow coin line subscribers to select the presubscribed OSP. For example, as discussed in the filings of NJPA and GPCA in the proceedings leading to the Payphone Order, Ameritech currently provides this capability through its ProfitMaster service in Illinois, which provides the coin rating and coin control functions that characterize coin line service, and is thus the functional equivalent of coin line service.[12]

II. SERVICE ORDER PROCESSING, INSTALLATION, MAINTENANCE AND REPAIR SERVICE

With respect to the procedures Southwestern Bell will follow regarding service order processing, installation, maintenance and repair service, Southwestern Bell references an August 3, 1995 Amendment to its CEI Plan for Payment Processing Service, filed in CC Docket Nos. 85-229, 90-623 and 95-20 ("SWBT August 1995 Filing"), which is on file at the Commission's public reference room. However, because Southwestern Bell's CEI Plan fails to make clear whether Southwestern Bell will follow nondiscriminatory practices with

[12] The Commission should "benchmark" the unbundled services offered by one LEC against those offered by another. See Interconnection Order, CC Dkts. Nos. 96-98 and 95-185, FCC 96-325 (released August 8, 1996) (subsequent history omitted) and 47 CFR § 51.305(c)(3) (if interconnection is once provided at a point in a network, it is presumed feasible in similar networks).

respect to location of the demarcation point, Southwestern Bell should be required to refile its plan and state its specific practices with respect to the demarcation point.

Southwestern Bell's CEI Plan does not state how maintenance and repairs will be handled for the installed base, where no network interface has yet been installed. Even though no interface may have been installed yet, a demarcation point can and should be identified to determine at what point wire maintenance should be charged separately to Southwestern Bell's payphone division as "inside wire" maintenance and at what point wire maintenance may be included as part of the tariffed access service.[13] Southwestern Bell should be required to refile its CEI plan and state its specific practices regarding the demarcation point.

Southwestern Bell does not address service ordering procedures involved when a location provider changes a Southwestern Bell payphone division payphone to an IPP payphone, or when an IPP provider payphone becomes a Southwestern Bell payphone division payphone. Southwestern Bell must specify its procedures so that the Commission and interested parties can assess whether service orders are treated equally in this context.

This is especially important where changes of ownership are involved. For example, if a location provider enters into a contract with Southwestern Bell's payphone division, and a contract is in place between an IPP provider and the previous owner, what

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[13] The Commission only grandfathered the location of existing LEC payphones, citing the cost and difficulty of moving existing payphones. See Payphone Order at ¶ 151. Moreover, the Commission required LECs to identify whether wire maintenance costs should be allocated to regulated or deregulated operations. Contra BellSouth Reply, filed January 15, 1997 in CC Docket No. 96-128 at 27.

procedures does Southwestern Bell follow to determine who is the location provider of record for purposes of authorizing and/or odering service? Southwestern Bell's perspective as a provider of local exchange service. On the other hand, what procedures one followed if the positions are reversed, and the location provider enters into a contract with an IPP, and a contract is in place between the previous owner and Southwestern Bell's payphone division? Southwestern Bell should specify the procedures it will use to resolve in a nondiscriminatory fashion the conflicts that arise in this context, and to ensure that no undue preferences are given to Southwestern Bell's payphone division.

Southwestern Bell does not specify in detail the procedures to ensure that unfair marketing practices will not be employed by Southwestern Bell and its payphone division when payphones are replaced. For example, Southwestern Bell's service ordering procedures must specify that Southwestern Bell's payphone division is not notified when a new service order is placed for an IPP payphone.

Additionally, Southwestern Bell does not state either in its CEI plan or the referenced SWBT August 1995 Filing whether Southwestern Bell will share personnel between its regulated operations and its payphone division. Southwestern Bell must explain its personnel sharing policies and how it intends to ensure that there will be no discrimination to the extent that personnel sharing takes place, especially in the areas of service order processing, installation, maintenance and repair.

In Attachment B to the SWBT August 1995 Filing, Southwestern Bell claims that its installation, maintenance and repair procedures are designed to be "mechanized" and to keep the identity of the "ordering party" anonymous. However, if personnel are shared between Southwestern Bell payphone operations and Southwestern Bell regulated operations, then the identity of the ordering party would *not* remain anonymous and, as Southwestern Bell acknowledges, it is more likely that discrimination could occur. For example, a Southwestern Bell technician could perform functions for the payphone division involving ordering service, and functions for the LEC involving providing the service. This technician could then know whether the service is for an IPP or Southwestern Bell's payphone division.

On the other hand, if Southwestern Bell chooses to share personnel, then it must describe in detail the specific steps it will follow to ensure there will be no discrimination against IPPs, and no preferential treatment of Southwestern Bell's payphone division, in the provision of service ordering, installation, maintenance and repair.

III. NUMBERS AND SCREENING CODES

A. Number Assignments

The Payphone Order requires LECs to be nondiscriminatory in assignment of line numbers to payphones. Payphone Order, ¶ 149. Southwestern Bell's plan does not address the assignment of line numbers.[14] Since this issue is specifically addressed in the

[14] For example, Assignment to payphones of line numbers in 8000 to 9000 range provides a distinct advantage in the prevention of fraud because they alert overseas operators to refrain from completing collect calls to such numbers. (On domestic calls, IXCs usually determine whether to complete collect calls by accessing LIDB and checking for the presence of billed number screening on the line. According to AT&T, it is not practical for overseas operators to access LIDB to determine the presence of billed number screening on a line to which a collect call is being placed.) As indicated by the attached letter from AT&T, IXCs frequently attempt to collect charges for incoming collect calls
(Footnote continued)